

EARLY RETIREMENT PROPOSAL

The purpose of the proposed legislation (HR ) is to make available to limited numbers of Agency employees a retirement system similar to that of the Foreign Service. The Agency has concluded that this system is urgently needed and basically fits our requirements.

Since Mr. McCone took over, he has conducted a thorough review of Agency management and personnel. While the Director has found that the people in the Agency are of unusual competence and dedication, the nature of the work involved in our operations calls for a young and resilient group of employees. A certain percentage of people will not be able to look forward to a full working career of 30 or more years.

Those Agency employees affected are obligated to serve anywhere in the world as in the Foreign Service and the military and unlike the normal Civil Service employee. The Civil Service Retirement Act is not designed for such people. The Foreign Service retirement system has been developed over the years to meet the needs of a service consisting of people who are required and do spend the major part of their careers abroad. The civil service retirement system was not designed for such people and consequently we believe that adopting a system similar to the Foreign Service will fulfill our needs.

We are just finishing an Agency reduction-in-force program involving about 150 people. These were occupationally surplus, i.e., based on our specialized needs and in accord with our manpower alignments they were excess. This exercise has created considerable restiveness among some of our employees and we feel that a new program such as this will reassure this group that their dedication is being recognized by the provision of a more appropriate retirement system.